

CREDIT ABUSE POP QUIZ
Test Your Consumer Knowledge

1. TRUE or FALSE: The ability to obtain a job, car, and/or home loan critically depends on your credit history and score.
2. What does FICO stand for?
 - a) Federal Insurance Credit Organization
 - b) Fair Isaac Corporation
 - c) Financial Income Credit Office
 - d) Fair Interest Consumer Organization
3. What is FICO?
 - a) it keeps a report card of your late payments and debt
 - b) it punishes consumers for going over their credit limit
 - c) a three-digit number that determines the interest rate you will pay on your credit cards, car loans and home mortgages or whether you will be able to get a cell phone or have your application for a rental apartment accepted
 - d) it offers credit cards
4. What is the biggest factor in determining your credit rating with lenders?
 - a) income level
 - b) home ownership
 - c) amount of debt
 - d) FICO score
5. The average amount of time it takes to "clean up" a negative credit history is:
 - a) 2-3 years
 - b) 12 years
 - c) 7 years
 - d) 10 years
6. TRUE or FALSE: A higher FICO score puts you in line for a lower interest rate on a loan or credit card.
7. TRUE or FALSE: High school students are considered to be one of the "easier" targets by credit card companies because they know they are uninformed and ready to spend.

8. TRUE or FALSE: The only way to avoid credit card debt is to never use your credit card.
9. TRUE or FALSE: You will never have to pay interest on your credit card if you pay your balance each month.
10. Always use cash, not credit cards for:
 - a) emergencies, food, and movie tickets
 - b) food, movie tickets and anything less than \$10.00
 - c) internet shopping, emergencies and gas
 - d) gas, anything less than \$50.00 and movie tickets
11. If you charge \$5,000 on a credit card and make the minimum monthly payment of 2%, how long will it take you to pay off the balance?
 - a) 6 months
 - b) 1 year
 - c) 7 years
 - d) 46 years
12. By the end of a college student's freshman year he/she will have accumulated an average of _____ in credit card debt alone.
 - a) \$1,500.00
 - b) \$500.00 - \$800.00
 - c) \$500.00
 - d) \$50.00
13. What will you owe if you pay your credit card balance after the due date?
 - a) a late penalty
 - b) interest on your entire balance
 - c) both of the above
 - d) neither of the above

You might like to check out these web sites:

- 1) www.myfico.com
- 2) http://econ4u.org/econ4u_topic.cfm
- 3) <http://www.casb.uscourts.gov/html/care/index.htm>

CARE PROGRAM POP QUIZ ANSWER KEY

1. True
2. B
3. C
4. D
5. C
6. True
7. True
8. True
9. False
10. B
11. D
12. A
13. C

SOURCE OF MATERIALS:

1. USBC's CARE Program DVD
2. Suze Orman's book entitled "The Money Book for the Young, Fabulous and Broke" [pg. 21]
3. Suze Orman's book entitled "The Money Book for the Young, Fabulous and Broke" [pg. 21]
4. Suze Orman's book entitled "The Money Book for the Young, Fabulous and Broke" [pg. 21]
5. Suze Orman's book entitled "The Money Book for the Young, Fabulous and Broke" [pg. 21]
6. Suze Orman's book entitled "The Money Book for the Young, Fabulous and Broke" [pg. 43]
7. USBC's CARE Program DVD
8. Self-Explanatory.
9. If you take a cash advance off your credit card, you will have to pay interest on that cash advance.
10. USBC's CARE Program DVD
11. S.D. Union Tribune article entitled "Economics IQ Improving" by Ed Ronco, Staff Writer
12. Press Release, U.S. Rep Louise Slaughter, 9/14/2004. "Reps. Slaughter, Duncan Introduce Bill to Protect College Students From Credit Card Debt"
13. Firstjobs Educational Outreach Program. Web site: http://econ4u.org/econ4u_topic.cfm